New England Home Care
Taking Advanced Care to the Home
www.newenglandhomecare.com
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Testimony Appropriations Committee Hearing on the Governor Malloy's Proposed Budget

March 15, 2011

Dear Senator Musto, Representative Tercyak, and esteemed members of the Human Services committee, my name is Kimberly Nystrom, President of New England Home Care. I thank you for this opportunity.

New England Home Care is as statewide provider of licensed home care services. We are accredited by the Joint Commission and provide services to 2700 clients in 94 towns. Our main service areas are Hartford, New Haven, Waterbury, Middletown and Bridgeport. In 2010, we employed over 1200 clinicians, home health aides and office personnel. We screen all employees through national background checks and drug testing prior to hire. We are a member agency of the Connecticut Association for Home Care (CAHCH) and fully support its submitted testimony today.

I am here today to speak specifically in opposition to the language in the Governor's proposed budget requiring licensed home health care agencies that provide medication administration services to hire and train unlicensed personnel to perform this service.

In the language submitted in implementer language embedded in the Governor's budget proposal, the DSS is directing home care providers to replace skilled and qualified health care management with an unskilled workforce, a requirement that is opposition to Federal and State law. The proposed intention of this mandate is to save money, a goal we are all interested in. However, putting the mandate into practice may well cost more money than the hoped-for savings. A lot more.

According to the Connecticut Public Health Code for Home Health Care, 19-13-D74(a)(3), all medication administration shall only be performed by registered nurses or licensed practical nurses. Further, by Federal Law and as outlined in the State Operations Manual, Appendix B Guidance to Surveyors of Home Health Care Agencies, Section 484.12 (c), agencies must comply with accepted standards and principles that apply to professionals furnishing these services. Accepted standards of professionals mandate that medication administration services be provided by a nurse when provided by a certified and licensed home care agency. Federal and State law require that agencies establish and follow policy and standards based on their capacity to supervise and manage certain clinical populations. Agencies establish policies according to that Federal and State law in the provision of care and service and according to the specific needs of the individuals.

We in the home care industry are supporting the statewide efforts of moving individuals out of institutions into the community working with DMHAS and the local mental health authorities to ensure that individuals suffering from chronic and persistent mental illness and chronic substance abuse disorders safely transition into home care settings. We support the ongoing efforts to take individuals from high cost care settings. We are there during important transitions to ensure successes at each stage, focusing on positive clinical outcomes and enhanced quality of life. The key, however, to managing these important health care transitions, and managing costs of care, is the assurance of the right care, by the right care giver, in the right setting.

In the recent Institute of Medicine Report Brief dated October 2010, effective workforce planning and policy making requires better data collection and an improved information structure. We have no data to support utilizing med techs as appropriate or safe replacements for qualified nursing staff in the home care environment to support or manage patients with chronic mental illness. Sicker patients are coming home. We need a more highly trained work force to address these needs versus a less trained work force.

Managing health care costs is a complex and tricky business. But time and again, we find that providing the correct care for patients saves money in the long run. Our data shows that psychiatric nursing care in the home is a cost effective program. Costs average $62/day per patient or $1885 per month. Many of our patients are being managed for as little as $521 per month. An eight day stay in a psychiatric hospital has an average cost to Medicaid of approximately $10, 400; eight days in the hospital is roughly equal to five months of home care service. In addition, the infusion of an unskilled workforce risks increasing current costs, a danger we believe to be likely. If as little as 10% of the current community patients require an acute care hospitalization, costs will escalate by 3.1 million versus the projection 4.2 million in savings. There is a real financial risk in forcing unskilled personnel to replace nursing.

In summary, we oppose with CAHCH and its providers the current proposal to require home care agencies to use unlicensed personnel for medication administration. Such a requirement risks legal peril for the state and providers, catastrophic health incidents for patients, and increasing rather than reducing the cost of health care. We join with CAHCH to request engagement in policy discussions in the development of models of care that ensure appropriate and cost effective delivery of medical services in our state.

Respectfully Submitted,

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President, New England Home Care

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Oppose Med Techs versus Home Care Nursing

Additional Costs, Not Savings -Very Real

As stated in the 2011 CAHCH State Legislative and Regulatory Agenda, greater utilization of existing home care services will drive down overall health care costs

Clinical Population targeted by cutting home care psychiatric nursing and using med techs

- Behavioral Health Clients Schizoaffective, Bipolar Disorder, Depression, Psychosis, Anxiety, Paranoid Personality, Mood Disorder, Post Traumatic Stress Disorder.
- The Behavioral Health population is aging; currently 45% of the Behavioral Health population is over the age of 50.
- High risk for complicating medical problems due to lifestyle and chronic mental illness.
- Many patients have complications such as Congestive Heart Failure (CHF). CHF patients are **TWO TIMES more** likely to be hospitalized.
- **Typical Behavioral Health patient averages 11 prescribed psychotropic and other medications.**
    - Note that an error in just one psychotropic medication administration can result in catastrophic consequences-both for the patient and costs to Medicaid.
- Many medications taken for mental illness can be causative for medical issues such as diabetes and obesity.
- Complicate a medical condition with a mental health disorder and there is already a high risk for emergency room visits and hospitalization.

Greater utilization of home care nurse management is cost effective

- Average Medicaid cost of providing these psychiatric nursing services at New England Home Care is approximately $62 per day per patient or $1,885 per month.
- Many patients being managed for as little as $521 per month.
- The proposed med tech savings will evaporate if 10% of the Behavioral Health population sees an increase in hospitalizations.

Reduction in psychiatric nursing interventions increases risk of hospitalization

	Est. Monthly Medicaid Cost
Acute Care Hospital	$ 39,500
Psychiatric Hospital	$ 19,800
Nursing Facility	$ 5,900
Nurse Medication Administration	$ 1,885

Adding an unneeded layer of unlicensed healthcare provider

- Unlicensed personnel, lots of supervision required more administrative costs and regulatory burdens.
- Must be closely and frequently supervised to ensure competence in providing care.
- High Turnover/High Cost/Difficult to recruit and retain.
- Continuity of care becomes an issue which compromises stabilizing safe, compliant service for clinically complex psychiatric populations---increases cost.
- 28% Yearly Turnover Rate, ongoing training, supervision, competency testing.

Risk for the use of unlicensed personnel and cost of failure

- An eight day stay in a general hospital psychiatric unit has an average cost to Medicaid of approximately $10,400, significantly more than the average cost of providing a full month of Nurse Medication Administration.
- It is estimated that if 10% of current community patients require an acute care hospitalization that could have otherwise been avoided if they continued to be served by a nurse, results in the Medicaid program incurring an **additional** **$3.1 million in costs instead of $4.2 million in budgeted savings**.

Home health care psychiatric nursing saves money and improves patient outcomes and enhances quality of care

- The RN nurses evaluates the patient's mental status, suicidal and homicidal tendencies, determines if hallucinations are increasing and if any further interventions are needed
- The RN uses knowledge of psychobiological interventions and applies skills to restore the clients health and prevent further disability
- The RN structures interventions to foster self-care and mental and physical well-being
- The RN assess the effectiveness and side effects of psychiatric medications
- The RN plans care which is individualized based on the volume of medications, co-occurring disorders and medical co-morbidities. These individuals average administration of 11 medications per day.
- The RN implements interventions in the identification of medication side effects and risk of complications
- The RN develops a plan of care and employs evidence based interventions to reduce the possibility of a hospitalization.
- ALL items that certified med techs will be incapable of determining.

The Solution: Collaborate with the Connecticut Behavioral Health Partnership to identify the most appropriate level of care and service that is negotiated among the client, nurse, family and health care team. We have to allow the Partnership to do what it was designed to do, coordinate and collaborate on providing the most cost effective services in the appropriate setting. Please avoid new regulations that are unnecessary and overly burdensome to home care agencies mandating the use of med techs who will require massive and hard to find clinical supervision. This regulation only increases administrative costs and contributes to workforce management issues. The addition of med techs to the home health agency workforce adds no quality, clinical value or enhancement of care or service. We want better outcomes and enhanced quality. Each client that successfully transitions care to the home and further independence saves the state money and costs $0. This solution is more desirable then adding another costly layer of service.